

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

00 — 11

2. STATE:

Kansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 1, 2000

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.331 and 447.332

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ 0

b. FFY 2001 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

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#12.a., Page 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

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#12.a., Page 2

10. SUBJECT OF AMENDMENT:

Prescribed Drugs: Methods and standards for establishing payment rates

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Secretary Schalansky is the Governor's Designee

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Janet A. Schalansky

13. TYPED NAME:

Janet Schalansky

14. TITLE:

Secretary

15. DATE SUBMITTED:

08/16/00

16. RETURN TO:

Janet Schalansky
6th Floor
915 SW Harrison
Topeka, KS 66612

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

08/17/00

18. DATE APPROVED:

NOV 9 2000

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

07/01/00

20. SIGNATURE OF REGIONAL OFFICIAL:

Thomas W. Lenz

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

ARA for Medicaid and State Operations

23. REMARKS:

cc:
Schalansky
Day

SPA CONTROL

Date Submitted 08/16/00

Date Received 08/17/00

KANSAS MEDICAID STATE PLAN

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Prescribed Drugs Methods and Standards for Establishing Payment Rates

The allowable drug product cost for determining reimbursement is based upon agency determinations which consider the aggregate upper limits of payment as defined in 42 CFR, 447.331 and 332, the State Maximum Allowable Cost (SMAC), or the estimated acquisition cost (EAC) as determined by the state for all drugs covered by the program. The paid amount will be the lesser of the provider's billed charge, estimated acquisition cost, SMAC or federal upper limit (FUL) for the national drug code (NDC) billed. The estimated acquisition cost is determined by consideration of a specific drug product's average wholesale price (AWP). If the AWP is utilized, 10% is deducted to set the estimated acquisition cost as the reimbursable cost. The percentage deducted from AWP may be changed at the discretion of the Kansas Secretary of Social and Rehabilitation Services.

In no case shall reimbursement for a prescription exceed the provider usual and customary charges for that prescription. Where payment to a provider is limited as a result of the usual and customary change, such reduction shall first be made to the cost of drugs dispensed.

TN # MS-00-11 Approval Date NOV 9 2000 Effective Date 07/01/2000 Supersedes MS-89-30